

Your Basic Proposal

Target High Potential Basic Stores With

- **B1G1F**

- Net Pricing Effect Gives us the Pricing Advantage
- Generate Trial to Gain Most Preferred Status
- Penetrate High Volume Stores Only

- **Mega Volume Program Modifications**

- Stores with 400+ Total Volume
- 6-20% price reduction

- **Merchandising with**

- Counter Display
- Dump Bin
- Interior Price Call Outs
- Pricing Banner

- **Monitor Basic sales before, during and after promotions through wholesalers**

-95% sell 395 CPO or less - 8800 in section

basis 21 → lowest
mark up

mark to → lowest

Your Basic Proposal

High wholesale volume for CPC

- CPC buying down w/ w/o off-invoice at wholesale
- buy down at retail

Get finance cut at 400 CPO

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Basic B1G1F

- Target stores with 100+ Total Carton Per Week Volume
- Make Available for 4 Weeks
- Limited to High Potential Area
- Ratio of Discount to Full Margin Sales must be 70%:30% or greater
- Generate Trial
- Gain Dominant Merchandising and Visibility
- 1842 stores get 175 Deals per week each
- Gives us 50% share of discount business

(Avg 70 LPUW)

180 Days
rather do a
pushing

actual count by hand

Basic B1G1F

too high

15 - 33 %

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Basic B1G1F

Option 1

- Targeting Stores Selling 100 Total Cartons/Week

Store Sells 70% Discount Volume	70 Cartons/Week
Our Goal: Gain 50% Discount Volume	35 Cartons/Week
Total B1G1F Deals Needed	175 Deals/Week
Total Stores Targeted	1824 Stores
Total Deals/Week Needed	319,200 Deals/Week
Total Deals/Month Needed	1.3 Million Deals/Month

15-3370
190,000 per week / 2 weeks

Basic B1G1F

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Basic B1G1F

Option 2

- Targeting Stores Selling 125 Total Cartons/Week

Store Sells 70% Discount Volume	87.5 Cartons/Week
Our Goal: Gain 50% Discount Volume	44 Cartons/Week
Total B1G1F Deals Needed	220 Deals/Week
Total Stores Targeted	980 Stores
Total Deals/Week Needed	215,600 Deals/Week
Total Deals/Month Needed	862,400 Deals/Month

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Basic High Volume Program

- Revise Current Mega Program to Include Stores selling 400+ total cartons per week
 - Buy Down Amount up to \$2.00 Per Carton
 - Meet Competition
- Limited to High Potential Area
 - 110 Stores Targeted
- Guaranty Parity with Lowest Discount Brand
- Dominant Visibility and Merchandising Required
- Program Represents 61.6 Million Basic Units for Section 36

Basic High Volume Program

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ATTACHMENT A

"YOUR BASIC MEET COMP" - MEGA VOLUME

<u>SECTION</u>	<u>MARCH 1 - APRIL 1 '94</u>	<u>BUDGET</u>
11		\$55,000
12		\$71,500
13		\$82,500
14		\$33,000
Region 1		\$242,000
21		\$91,600
22		\$150,620
23		\$91,988
24		\$68,719
Region 2		\$402,927
31		\$104,283
32		\$135,840
33		\$160,000
35		\$60,000
36		\$0
Region 3		\$460,123
41		\$67,020
42		\$59,070
43		\$112,269
44		\$120,277
45		\$84,469
Region 4		\$443,105
51		\$156,250
52		\$70,000
53		\$48,750
54		\$51,250
Region 5		\$326,250
TOTAL		\$1,874,404

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Basic Mega Volume Program

- Targeting Stores Selling 400 Total Cartons/Week

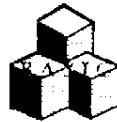
Store Sells 70% Discount Volume	280 Cartons/Week
Our Goal: Gain 50% Discount Volume	140 Cartons/Week
Estimate 20¢ off per pack	\$280/Store/Week
Total Stores Targeted	110 Stores
Amount Requested per Week	\$30,800/Week
Amount Requested per Month	\$123,200/Month

Basic Mega Volume Program

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Your Basic Footprint

- #1 Discount Positioning
 - Counter
 - Floor
- Dominant Visibility - Your "Basic" Look
 - interior
 - Exterior
- Opportunity to Develop Previously Un-Tapped Resources
 - Retailers
 - Consumers
- Opportunity to Test the Effectiveness of Programs



Your Basic Footprint

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